

REASONS

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Canadian Pacific Railway

SYNDICATE

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TO FLOAT ITS STOCK.

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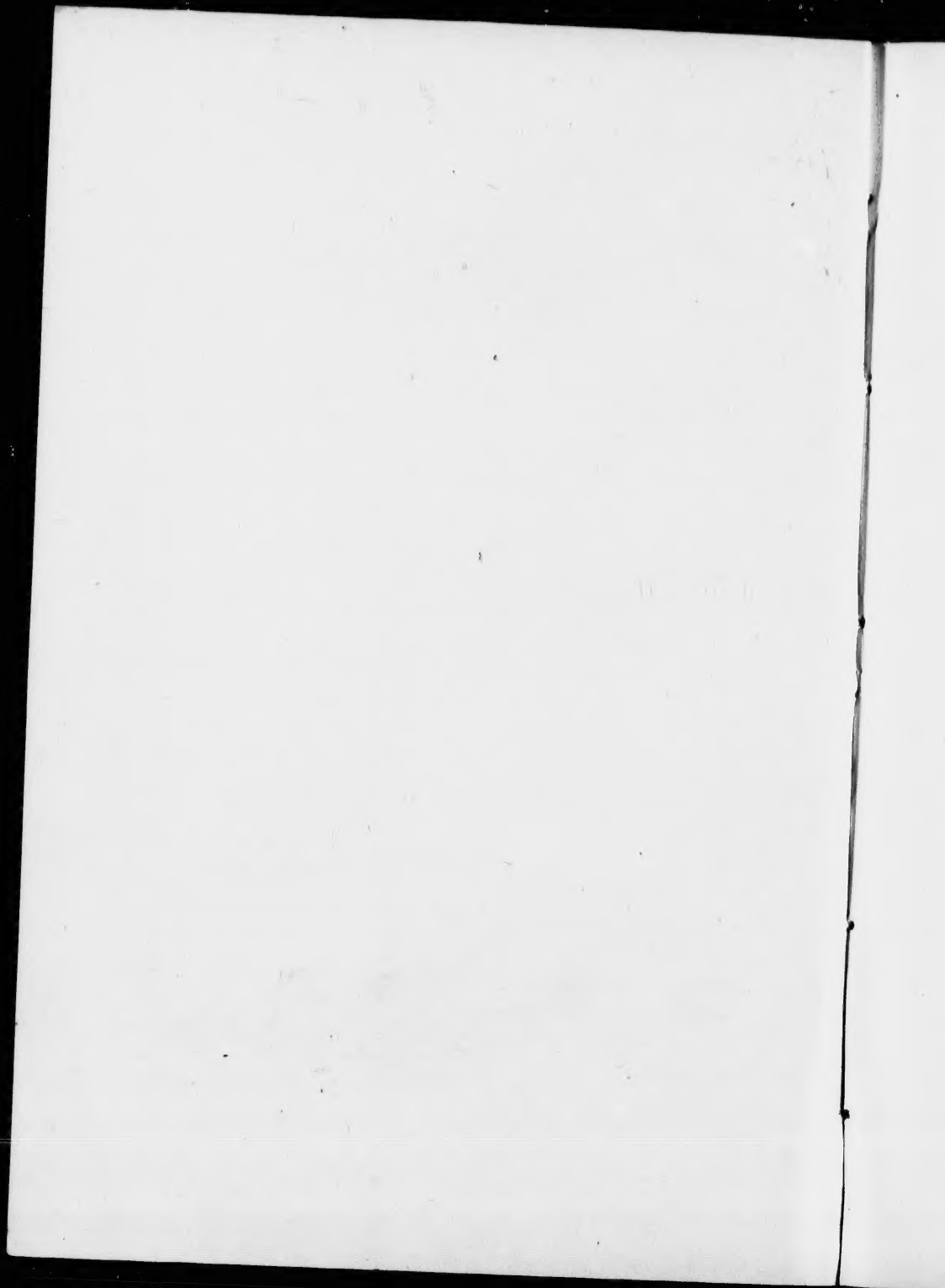
WHY THE

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"MEN OF FISHY REPUTATIONS."

(From MONTREAL POST, 16th Feb., 1884)

There are potent hours in the history of nations that have a mighty influence in shaping their future destinies. Such a "strong hour" as Schiller says, is now upon the Dominion, and the action of the present Parliament in regard to granting the Canadian Pacific further aid, after it has ignominiously failed to fulfil its contract, will have an influence on our future only commensurate with the imposition of the Stamp Act by Great Britain on her Colonies in the New World—an act that was destined to despoil her of the fairest portion of her Empire, and to found a power superior to her own. This Parliament, by the acknowledged failure of the incompetent Syndicate, has now the golden opportunity of ridding the country of a grasping clique of overbearing oppressors, whose every act has tended to the disruption of those Provinces from the confederation—a clique whose methods of doing business have caused widespread dissatisfaction, and made it in an incredibly short space of time most unpopular at home and discredited abroad. In the management of the great public work entrusted to them, they have shown how dangerous it is for any country to delegate almost sovereign powers to a body of untried men, mere children in the great world of finance, and possessing no claim to those statesmanlike qualities which promote colonization and render monopoly less oppressive by a genial personal popularity. The men now forming the Syndicate have done

much to divert the tide of immigration from, not only the older Provinces, but from the British Empire, and the blows they have inflicted on the prosperity of this Dominion will not be healed so long as they are retained in a position of supreme power over that great highway of the nation, the Canadian Pacific. As financiers and colonizers they have been weighed in the scales of public opinion and have been found woefully wanting. As railroad constructionists they have magnified the easy part of the work into an heroic effort, but have carefully shirked such portions as would entail serious outlay and test their engineering capacities.

The President only lately issued a bombastic pronouncement, accusing the press of being antagonistic. Let these men look to their record and they will find the reason why the press and financial world show a disinclination to believe in the protestations of these truly eminent empirics. Has there been one redeeming feature in their careers which would warrant an implicit reliance on the mere *ipse dixit* of that most honorable man, the President, who for a brief space posed as the railroad Cæsar of the Dominion? When in business did this shrewd trader give credit without knowing the antecedents of those who applied? Was he not aware, through agencies, of the financial standing, antecedents, reputation and habits of country merchants, even in the remotest districts? Does he, then, imagine that the financial world and the press are wholly unaware that \$8,000,000 of the rest of the Bank of Montreal was taken by him while in the capacity of President, unknown to the Board of Directors, and invested in the St. Paul and Minneapolis Railroad, and that by a dishonorable collusion with the receiver of the road, false reports of its sta-

tus were sent to Holland for the purpose of depressing the stock which was bought in at a mere nominal figure? Is he not aware that the receiver of the road after accomplishing this discreditable work was refused his share in the profits, and brought suit in the Court of St. Louis to recover it? Has he forgotten that the case was dismissed because the judge would not entertain a suit in a United States Court of justice, brought by quarrelling speculators to divide booty? Nor can he forget that a powerful clique of the defrauded Dutch bondholders through threats of bringing the matter before the courts, compelled an extra dividend and the matter was hushed up? Men with such doubtful antecedents are not received very cordially on the London or continental markets, more especially when one of the Home Rule members of Parliament, at the instance of Mr. Parnell, declared on the floor of the House of Commons that the "men connected with the Canadian Pacific Railroad were men of very fishy reputations."

It was not the intrinsic merits of the Canadian Pacific as a stock investment that caused it to be shunned as a security, but the *fishy reputations* of those who were connected with it that made it a very suspicious stock on the market. And this ancient and fishlike smell will cling to it so long as certain of the present Syndicate are linked to it. The taking of a bank's rest, to such a large amount, without the knowledge of the directors, caused much comment in financial circles and was denounced in no measured terms by the press of London. Journals here, with their usual amount of backwoods' self-sufficiency, dealt lightly with the subject and imagined that as a consequence the world at large would regard such a very reprehensible transaction in the same venal light. Did the

\$20,000 check transaction add to the integrity and financial standing of these men? Did the evidence of Mr. George Stephen, that he, while President of the Bank of Montreal, gave \$20,000 to Mr. Rankin, who had no funds in the bank, and was *not aware to what purpose this large sum was to be applied*, tend to impress the public with his scrupulous sense of honor? Was it not universally known that this sum was used to settle a criminal suit brought by Mr. Monk, a stockholder of the Consolidated Bank, against the directors, and that the cashier of this bank was the brother-in-law of one of the directors? Does the Dominion Parliament imagine that the foreign world of money lenders are as apathetic to such questionable transactions as we are in Canada? No, capital is very sensitive, and the knowledge of such "incorrect capers" put it immediately on guard. Had this Syndicate gone to Europe with clean records, they would undoubtedly have been moderately successful, but as it is, their "fishy reputations" caused ignominious failure and made the financial world look askance on all Canadian securities.

Have the more recent transactions of these men been at all to their credit? Did the disreputable attempt to squeeze Mr. L. A. Senecal, who borrowed from them \$200,000, on their promise to purchase the North Shore Road, show them in an enviable light as the promoters of a great public enterprise? They made a sudden and unexpected demand for the money, imagining that he would be unable to pay it, and failing in doing so, obtain the property at their own price. In this they were mistaken. Mr. Senecal drove over to the Grand Trunk offices to see the assistant manager, Mr. Wainwright. That gentleman telegraphed for ex-Governor Smith, of Vermont,

who arrived at the Windsor Hotel that night. A few hours afterwards the North Shore was sold to the Grand Trunk, and the next day, much to their surprise, the Syndicate received the money they had advanced to Mr. Senecal.

The Hon. Bradley Barlow was not so fortunate in his attempted sale of the South Eastern to these peculiar financiers. By advancing money they threw the net around him, and he was strangled in the end. But a crop of over a hundred lawsuits against the South Eastern makes the Syndicate very desirous of selling out at a liberal discount the \$2,000,000 worth of bonds they hold of that unhappy corporation.

When the Syndicate found they had not the means to employ the 800 men whom they brought at an inclement season to the Lake Superior region, was it either humane or honorable to desert these unfortunates and leave them, after incredible hardships, to get back to their homes as best they could? Six perished on the way, many were injured for life, and now the Montreal law courts are full of suits brought by these wronged men against the Company.

Does it become Mr. George Stephen, then, to cry like a whipped child because the press lays on him and his clique the lash? Or does he imagine that European bankers are over anxious to invest in an enterprise run by men of such "fishy reputation?" He says that only \$27,000,000 are required to finish the road, but, as the clique have failed, let them step down and out and hand the road over to the Government, who can appoint Mr. Van Horne and a board of engineers to complete the work which, when finished, will then be the highway of the people from ocean to ocean, owned by the people and run by the people for the common weal. The strong hour is now on the Canadian Parliament, which has it

in its power to rid us of this Syndicate of fishy speculators, which can only thrive by monopoly and oppression. Canada has already given \$65,000,000 and 25,000,000 of acres toward this great enterprise. What have these men given? Nothing. They have taken money which should have been devoted to the construction of the road to invest in other enterprises and thereby encountered the hostility of corporations with which it was obviously their interest to have been on friendly terms. The Dominion never entrusted these men with the public funds for the purpose of wrecking and squeezing railroads and buying lines in which ministers are interested as the price of their support in the Cabinet.

These gentlemen would have the public believe that they have largely invested their own private means in this enterprise. We have at present no evidence of this, but the palpable fact exists that they have one and all built palatial residences far more costly than that in which the late Commodore Vanderbilt lived when he possessed sufficient means to have built a Canadian Pacific Road at his own expense. There is not a mortgage registered on any one of the mansions of the Syndicate. Here is a pack of princely paupers applying for aid at the portals of Parliament! Do the people intend to pamper an oppressive, monopolizing clique, which has not, nor ever will have, the confidence of the financial world? As they have failed, let them retire and cease bringing discredit not only on the road, but on Canadian securities abroad. They have tried too much, and like the small but conceited hen, have endeavored to hatch out a square yard of eggs, and failing are cackling loudly for the Government incubator to come to their aid. If the Government incubator is to hatch out the Canadian Pacific eggs, the services of the Syndicate then can be dispensed with. The clique, however, with its accustomed conceit, will crackle loudly--after receiving enough money to build the road from the Government. "Behold, alone we did it," and in reward for their services claim to be knighted all round.

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